



IN THE UNITED STATES DISTRICT COURT FOR THE
EASTERN DISTRICT OF VIRGINIA

Alexandria Division

UNITED STATES OF AMERICA)	
)	No. 1:13cr220
v.)	
)	18 U.S.C. § 1031 & 2
MICHAEL BRIAN DUNKEL,)	(Major Fraud against the United States)
Defendant.)	

Criminal Information

The United States charges that:

Count 1
(Major Fraud against the United States)

The Contract Award

1. In or about August 2006, the United States, in a procurement of services, awarded National Aeronautics and Space Administration ("NASA") prime contract number NNK06MA86B ("Contract A86B") to Company B, the value of said prime contract being \$2,970,000.

The Scheme and Artifice

2. Beginning in or about 2005 and continuing up to in or about February 2012, in connection with the foregoing and other procurements, the defendant, Michael Brian Dunkel, with others known and unknown, executed and caused to be executed a scheme and artifice to defraud the United States and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises.

3. It was part of the scheme and artifice to defraud the United States and to obtain money and property by means of materially false and fraudulent pretenses, representations and promises, that the defendant would and did:

- a. fraudulently use Company B, which had access to government contracting preferences administered by the Small Business Administration ("SBA"), to obtain NASA, and other contracts that Dunkel would not otherwise be awarded;
- b. falsely represent that Company B would and did comply with SBA regulations requiring that Company B employees perform at least 50% of all services work on the Company B contracts, when in fact Dunkel and others who were *not* Company B employees intended to and did perform *all* of that work;
- c. falsely represent that Dunkel was a Company B employee to conceal that no Company B employees performed work on the contracts;
- d. draft and submit contract and task-order proposals that falsely represented Company B's intent to use its employees in accordance with agreed-upon labor categories, hours, and rates, when in fact Dunkel and Company B had no intention of performing (or paying others to perform) the services work as Company B employees or consistent with those representations;
- e. respond to inquiries from NASA requiring additional detail on Company B's invoices by submitting invoices that falsely represented that Company B employees had performed the services work consistent with the contract and task-order proposal documents and that fraudulently concealed Dunkel's status as an independent contractor performing the vast majority of the services work;
- f. agree that, in exchange for Company B allowing Dunkel to use Company B to obtain contracts, Company B would retain a pass-through fee (generally of approximately 10-15%), even though Company B performed no work on the contracts; and
- g. fraudulently obtain approximately \$4,437,428.93 in contract payments from NASA, the DoD, and DHS,

including \$2,428,205.90 received by Dunkel personally and through his companies, as well as approximately \$532,491.47 retained by Company B as its pass-through fee.

Execution of the Scheme and Artifice

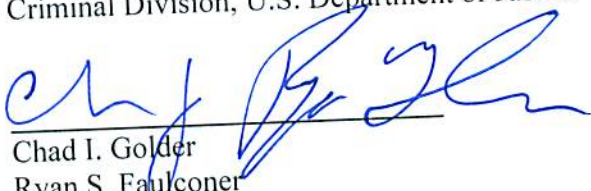
4. From in or about April 2006 through in or about February 2012, within the Eastern District of Virginia and elsewhere, the defendant, Dunkel, knowingly executed the scheme and artifice in connection with Contract A86B by intentionally creating and causing to be submitted to NASA false, fraudulent, and misleading capability summaries, task-order proposals, and other required information in connection with Contract A86B. As a result of these and other fraudulent actions, NASA paid Company B a total of \$1,988,539.87 on Contract A86B, none of which Company B was entitled to receive.

(All in violation of Title 18, United States Code, Sections 1031 and 2.)

Neil H. MacBride
United States Attorney

Jeffrey H. Knox
Chief, Fraud Section
Criminal Division, U.S. Department of Justice

By:


Chad I. Golder
Ryan S. Falconer
Assistant U.S. Attorneys